

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division  
Bureau of Medicaid Policy and Actuarial Services

<b>Project Number:</b>	0701-NPI	<b>Comments Due:</b>	March 7, 2007	<b>Proposed Effective Date:</b>	May 17, 2007
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**Policy Subject:** Reporting the NPI on Prescription Drug Claims

**Affected Programs:** Medicaid, Maternity Outpatient Medical Services, Adult Benefits Waiver, Plan First and Children's Special Health Care Services

**Distribution:** Pharmacies, Practitioners, Hospitals, Hospice, Dentists, Vision, Local Health Departments, Medicaid Health Plans, Family Planning Clinics, Rural Health Clinics, Tribal Health Centers, Community Mental Health Services Program Clinics and Substance Abuse Coordinating Agencies

**Policy Summary:** MDCH will require pharmacy providers to use their NPI as the Medicaid ID number for dates of services on or after May 17, 2007. MDCH will also require the prescribers to use their NPI as the Prescriber ID on or after May 23, 2007.

# Proposed Policy Draft

## Michigan Department of Community Health Medical Services Administration

**Distribution:** Pharmacy, Practitioner (Physicians, Advanced Practice Nurses, Medical Clinics, Oral Surgeons, Podiatrists, FQHCs/RHCs/THCs), Hospitals, Hospice, Vision, Dentists, Local Health Departments, Medicaid Health Plans, Community Mental Services Program Clinics and Substance Abuse Coordinating Agencies

**Issued:** April 17, 2007 (Proposed)

**Subject:** Reporting the NPI on Prescription Drug Claims

**Effective:** May 17, 2007 (Proposed)

**Programs Affected:** Medicaid, Maternity Outpatient Medical Services (MOMS), Adult Benefits Waiver Program (ABW), Plan First and Children's Special Health Care Services (CSHCS)

The purpose of this bulletin is to inform providers on the Michigan Department of Community Health's (MDCH) requirements on the use of the National Provider Identifier (NPI) on National Council for Prescription Drug Programs (NCPDP) and paper claims. The NPI will be required on the prescriptions along with the Drug Enforcement Administration (DEA) number (if applicable) for all beneficiaries. This requirement will allow the pharmacy providers to submit claims for reimbursement by MDCH Pharmacy Benefits Manager (PBM) using the NPI as the Prescriber ID.

### Prescribers

A prescriber that writes, transmits or faxes a prescription for a drug on or after May 23, 2007 must report his NPI on that prescription. Prescriptions written by an emergency room practitioner must report his NPI, not the supervising practitioner's NPI. Each prescriber at a teaching hospital must report his own individual NPI to the dispensing pharmacy. A physician assistant must report the NPI of the supervising physician on the prescription. A nurse practitioner under the delegation of a physician must report the delegating physician's NPI on the prescription.

If the prescriber has not provided his NPI to MDCH, or would like to update his NPI information currently on file with MDCH, contact:

Michigan Department of Community Health  
Provider Enrollment Unit  
P.O. Box 30238  
Lansing, Michigan 48909

Fax Number: (517) 241-8233

It is very important that MDCH receives notification about the prescriber's NPI to avoid a delay in processing or a rejection of the claim due to the prescriber's NPI not on file. This may result in a beneficiary being unable to fill his prescription.

## **Pharmacies**

Effective May 17, 2007 MDCH PBM will deny all Fee-For-Service (FFS) claims if the pharmacy's NPI is not reported on the claim as the Medicaid ID number. The pharmacy must request an override until May 22, 2007 if reporting its NCPDP number instead of its NPI. MDCH PBM will also deny all FFS claims on or after May 23, 2007 if an NPI is not reported as the Prescriber ID. The reject code for these claims is NCPDP 56 – Non-Matched Prescriber ID.

All FFS claims (except claims for condoms) submitted with the pharmacy NPI in the Prescriber ID field will be denied for payment by MDCH PBM. The reject code for a claim with the pharmacy NPI as the Prescriber ID is NCPDP 25 – Missing/Invalid Prescriber ID along with an additional message indicating: Pharmacy NPIs are not allowed for claims processing, use Prescriber NPI. Overrides will not be granted for claims billed with the pharmacy NPI.

Teaching hospital pharmacies cannot report their NPIs as the Prescriber IDs, they must report the prescriber's NPI. The pharmacy must contact the prescriber to obtain the correct NPI for any rejected claims. All pharmacy claims that report the incorrect NPI will be rejected.

MDCH will review claims on a post payment basis to ensure that valid NPIs are reported.